

The Global Newspaper  
Edited in Paris  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Manila

# Herald Tribune

Published With The New York Times and The Washington Post

University Of Jordan  
Center of Strategic Studies  
READING ROOM

Algeria	4.00 Dn.	Israel	1.50 Dn.	Norway	2.00 Ndk.
Argentina	2.00 Dn.	Italy	1.00 Dn.	Peru	4.00 Bsh.
Australia	4.00 Dn.	Japan	1.00 Dn.	Portugal	1.00 Bsh.
Belgium	4.00 Dn.	Korea	1.00 Dn.	Spain	1.00 Bsh.
Brazil	4.00 Dn.	Laos	1.00 Dn.	Sweden	1.00 Bsh.
Canada	4.00 Dn.	Lebanon	1.00 Dn.	Switzerland	1.00 Bsh.
Chile	4.00 Dn.	Lithuania	1.00 Dn.	Taiwan	1.00 Bsh.
China	4.00 Dn.	Malaysia	1.00 Dn.	Thailand	1.00 Bsh.
Colombia	4.00 Dn.	Mexico	1.00 Dn.	Turkey	1.00 Bsh.
Costa Rica	4.00 Dn.	Netherlands	1.00 Dn.	U.S.A.	1.00 Bsh.
Cuba	4.00 Dn.	Nicaragua	1.00 Dn.	U.S.S.R.	1.00 Bsh.
Czechoslovakia	4.00 Dn.	Poland	1.00 Dn.	Vietnam	1.00 Bsh.
Denmark	4.00 Dn.	Romania	1.00 Dn.	Yugoslavia	1.00 Bsh.
Egypt	4.00 Dn.	Soviet Union	1.00 Dn.		
France	4.00 Dn.	Taiwan	1.00 Dn.		
Germany	4.00 Dn.	Thailand	1.00 Dn.		
Greece	4.00 Dn.	Turkey	1.00 Dn.		
Hong Kong	4.00 Dn.	U.S.A.	1.00 Dn.		
India	4.00 Dn.	U.S.S.R.	1.00 Dn.		
Indonesia	4.00 Dn.	Vietnam	1.00 Dn.		
Iran	4.00 Dn.	Yugoslavia	1.00 Dn.		

No. 31,807

ZURICH, MONDAY, MAY 27, 1985

ESTABLISHED 1887

## Paris, London, Bonn Retreating From Foreign Policy Initiatives

By William Drozdiak  
Washington Post Service  
BONN — The leaders of France, Britain and West Germany are becoming increasingly preoccupied with domestic challenges to their governments, a development that political analysts believe may portend a slackening of European influence in international affairs.

Faced with mounting political and economic troubles in a period leading up to elections, President Francois Mitterrand, Prime Minister Margaret Thatcher and Chancellor Helmut Kohl are expected to devote more attention to their internal difficulties and less to pursuing foreign policy initiatives, which generally carry little influence with voters.

The extraordinary link between the French Socialist president and the British and West German conservative leaders has been most pronounced in East-West and security issues. Their harmony of views on these issues contributed to the successful deployment of new nuclear missiles in Western Europe despite intense opposition from the Soviet Union and anti-nuclear activists.

Last year, while Moscow and Washington virtually froze contacts after the collapse of arms control talks, the Paris-London-Bonn triangle led the European diplomatic campaign to perpetuate a dialogue between the two blocs and to encourage the two superpowers to return to the Geneva negotiating table.

But now, as Moscow and Washington seem mired in a new impasse over space weapons and unable to decide about a summit meeting, the major European allies are turning inward to deal with their own problems rather than placing emphasis on the revival of détente.

Such parochialism appears likely to block early progress toward changes in the European Community. Even an ardent pro-European such as Mr. Kohl has felt compelled in recent weeks to hold up agreement on cereal prices because he fears a political backlash from German farmers who want higher subsidies.

The tendency to appease power-

ful national lobbies seems bound to grow as the three leaders become increasingly worried about their vulnerability in coming elections, beginning with the French parliamentary vote next spring.

Mr. Mitterrand's party is expected to lose its majority in the National Assembly to more conservative forces, raising the prospect of a clash between a Socialist president and a rightist legislature.

A similar swing against the incumbents has taken place in Britain and West Germany, where the ruling Conservative and Christian Democratic parties have suffered resounding defeats recently in local and state elections.

This month, the British Conservatives lost control of nearly half the county governments in England and Wales in which they previously held majorities. National opinion surveys indicate that the Tories now trail both the Labor Party and the fledgling alliance of Liberals and Social Democrats.

Mrs. Thatcher's personal popularity has plunged from the heights she enjoyed from the time the Falklands War in 1982 through last March's victory over striking coal miners, and many junior members in Parliament of her own party are discontented with her leadership.

Mr. Kohl's governing capabilities have come under fire from fellow Christian Democrats following their severe setback on May 12 in North Rhine-Westphalia, the country's most populous state. The Social Democrats won an absolute majority with more than 52 percent of the vote, and the Christian Democrats fell to less than 37 percent, their worst showing ever.

Although his party still ranks ahead of the opposition Social Democrats in the polls, Mr. Kohl is facing growing pressure to display more aggressive leadership in making unemployment the priority of the center-right ruling coalition in Bonn.

Thus, the administration in Washington now confronts the

(Continued on Page 11, Col. 1)

## U.S. Reports Progress With Soviet on Air Safety

By Bernard Gwertzman  
New York Times Service  
WASHINGTON — The United States, the Soviet Union and Japan have made "some progress" in negotiations on air safety in the northwest Pacific to avoid a repetition of the downing of a South Korean airliner by a Soviet fighter in 1983, according to U.S. officials.

The latest round of negotiations ended Friday in Moscow without an announcement, the officials said, in response to a Soviet request for as little publicity as possible. Unannounced rounds were held previously in Tokyo in February and in Washington in March.

The talks are said by American officials and Soviet diplomats to have importance beyond air safety because they may affect a range of other Soviet-American issues.

If agreement is reached on air safety, American officials said, the way may be open to negotiating a new civil aviation accord that would restore Aeroflot landing rights in the United States and allow an American carrier to resume flights to Moscow. This in turn could lead to a cultural and scientific agreement and an exchange of consulates in Kiev and New York.

These are the kind of agreements that could be announced at a meeting between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader. Both have professed an interest in a meeting, but Mr. Reagan said again in remarks made public Saturday that no place or date had been set.

In written answers to questions submitted by the newspaper *Il Tempo* of Rome, Mr. Reagan said: "If and when Mr. Gorbachev and I get together, which I hope will be soon, you can be sure, for the American part, that it will be in the spirit of goodwill, seriousness and a determination to explore

whatever avenue may be open toward better understanding, reduced tensions and peace.

"Meetings do not in and of themselves guarantee progress. It is the overall relationship between our countries that counts, and this relationship is not enhanced when expectations about any one meeting are too high."

There has been confusion about the status of the projected meeting. In an exchange of correspondence, Mr. Reagan invited the Soviet leader to come to Washington at a mutually agreeable date. Mr. Gorbachev responded affirmatively but without signifying a date or place. When Secretary of State George P. Shultz and Foreign Minister Andrei A. Gromyko met in Vienna on May 14, they apparently did not discuss details of such a meeting.

Soviet sources had said earlier that Mr. Gorbachev probably would go to New York in the fall to mark the 40th anniversary of the United Nations, and more recently, Soviet diplomats here have said that he was unlikely to go to New York and that any meeting should be in a neutral country.

An American official said a few days ago that the two sides were engaged in "gamesmanship" each waiting for the other to offer specific proposals.

In the interview with *Il Tempo*, Mr. Reagan said that he was not discouraged by the lack of apparent progress in the first round of the Geneva arms control talks.

A disagreement has emerged over how the three-part negotiations are to be conducted. The Soviet side is linking progress on strategic and medium-range nuclear weapons to U.S. agreement to curb research on a new space-based missile defense system. The United

(Continued on Page 2, Col. 5)



Fifty-eight cardinals, in foreground, attend the consecration of 28 new cardinals, in background, by the pope at a ceremony in St. Peter's Square. The pope is at center left.

## Amid Pageantry in St. Peter's Square, Pope Elevates 28 to Rank of Cardinal

By E.J. Dionne Jr.  
New York Times Service  
ROME — Pope John Paul II has consecrated 28 cardinals in an outdoor ceremony grand in pageantry and resplendent in tradition.

From his throne in front of St. Peter's Basilica on Saturday, the 65-year-old pope received the men, natives of 19 countries, one by one as they climbed the red-carpeted steps of the largest church in Christendom and knelt before him.

The pope bestowed his blessing and gave to each the two red silk hats symbolic of high station in the church: a skullcap and the square-ribbed crown called a biretta.

Among the 28 men consecrated on Saturday were the archbishops of some of the largest Roman Catholic dioceses in the world, including Cardinal John J. O'Connor of New York and Cardinal Bernard F. Law of Boston.

Also consecrated was Cardinal Myroslav Ivan Lubachivsky, the Rome-based leader of the Ukrainian

Catholic Church. An American citizen born in the Ukraine, Cardinal Lubachivsky is the leader of the four million Ukrainian Catholics inside the Soviet Union and the two million outside.

While in Rome, Cardinal O'Connor has met with many Lebanese Christian leaders, and he spoke both Friday and Saturday of the plight of Christians in Lebanon.

He said the pope was aware that he was "extremely concerned" about that situation and that it might be "requested that I go to Lebanon on behalf of the Holy See."

He added, speaking of the Lebanese situation, "From the religious perspective and from the perspective of human rights, the violations are frightening."

Earlier, the pope told the prelates, who included leaders of persecuted churches around the world, that "they must have no illusions about the way they will be received."

John Paul said, "They will often be made a sign of contradiction, even persecution."

"They must go to their brethren with the wisdom of serpents and the innocence of doves," he said, recalling the words of the Gospel of St. Matthew, "and bring everyone the good news of salvation."

"Their mission will also lead them to confront those who kill the body," he said, "and in that confrontation their life may be sacrificed." But he told them not to be fearful, because "the Gospel message contains within itself a power that cannot be stopped."

Cardinal O'Connor said afterward that the pope's words were a reminder that "some of these cardinals live in daily danger, even daily danger of their lives," and that their churches often suffered "very severe oppression and suppression."

Among those invested Saturday were Miguel Obando y Bravo, the

(Continued on Page 2, Col. 6)

## Shiites Massacre Palestinians, Reports Say

Compiled by Our Staff From Dispatches  
LONDON — Hundreds of people have been massacred in the last week by Shiite militiamen fighting Palestinian guerrillas in Beirut, the British Broadcasting Corp. and The Sunday Times of London have reported.

Witnesses said residents of two Palestinian refugee camps were being shot indiscriminately and that grenades had been thrown among the wounded at hospitals, the BBC reported Saturday.

Leaders of the Amal militia have refused to allow independent observers into the Chatila and Sabra camps, where hundreds of refugees were slaughtered by Christian militiamen in 1982.

The Amal militia and other Shiite Moslem troops from the Lebanese Army appeared to have taken control of those camps but were continuing to meet strong resistance at another, Reuters reported.

The death toll from the fighting, which began May 19, has risen to about 245, and more than 1,000 people have been wounded, hospital sources told Reuters.

In Damascus, the Syrian-backed Palestine National Salvation Front, a coalition of radical Palestinian groups, appealed to Syria to stop "massacres and acts of extermination." Sources told Reuters that the Arab League's secretary-general, Chadi Khlil, was going to Beirut for talks on the fighting.

Machine-gun fire and the sound of explosions still echoed from the Sabra and Chatila camps, but a Lebanese Army officer told Reuters that the Amal militia and the army's 6th Brigade were in control.

About 40 Palestinian fighters were still inside, but "militarily it is finished for Sabra and Chatila," the officer said.

Palestinian fighters appeared to be putting up fierce resistance at the third camp, Borge Barajni. Amal militiamen said many women and children were inside.

The Salvation Front said it had rejected a peace proposal, passed on by Syria, under which the 6th Brigade would take over the camps. A front spokesman called on the Amal militia to leave the camps and let the Red Cross evacuate the wounded.

Reporters have been banned from hospitals, but The Sunday Times of London and the BBC reported that a refrigerator truck parked outside the main hospital, in West Beirut, contained 55 male bodies in plastic bags.

Witnesses said many of the bodies had gunpowder burns on their heads, suggesting they had been shot at point-blank range, both the Times and the BBC reported.

Those reports also said that at least 20 wounded patients, including women, were believed to have been taken out of the hospital and shot.

Wounded Palestinians arriving at the American University Hospital found Shiite militiamen at the entrance and moving freely around inside, both newspaper and radio

reported. Palestinians were said to have been killed or taken away, and unconfirmed reports said some patients had been shot in their rooms.

Hospitals that might have been expected to be full of wounded Palestinians were not, and a check Saturday suggested that only a handful of Palestinians were among the many hundreds of patients.

(UPI, Reuters)

## In Lebanon, Syria's Grip Is Tightened By Its Proxies

By John Kifner  
New York Times Service  
NICOSIA — Diplomats and Lebanese sources say the latest bloodshed in Beirut appears to be part of an effort by Syria to impose its will on fractious Lebanon by proxy.

"This can be neatly categorized as a sweeping up of all the loose ends by Syria," said a Western dip-

lomat who is one of the few still based in anarchic, Moslem-dominated West Beirut.

Another diplomat added, "What we are seeing is the iron grip of Syria by proxies."

The struggle for control of the three Palestinian refugee camps in and near Beirut and the last three weeks of constant shelling between the Christian and Moslem sectors of the capital are regarded here as evidence that "Hamas rules" are in effect. It is a term frequently invoked in Lebanon as a byword for Syrian ruthlessness.

The Syrian city of Hama was once the center of the Moslem Brotherhood, the underground Sunni Moslem opposition to the Syrian president, Hafez al-Assad, an Alawite. In the early spring of 1982, Mr. Assad's government disposed of this political problem by leveling the city with tank and artillery fire at a cost of 20,000 lives. Things have been quiet there since.

The situation in Lebanon abounds with ironies. One element is that many of the factions battling there are, in effect, under Syrian control.

The Sabra, Chatila and Borge Barajni refugee camps — permanent, concrete-block shantytowns — are surrounded by Shiite militiamen and their allies of the largely Shiite 6th Brigade of the Lebanese Army. The attackers have been firing tank rounds, artillery shells and automatic rifle bullets. The defenders have been stubbornly holding

(Continued on Page 2, Col. 4)

## 2 Ships Burn In Spain; 15 Are Killed

Compiled by Our Staff From Dispatches  
SAN ROQUE, Spain — At least 15 persons were killed Sunday when two oil tankers exploded and sank at this southern Spanish port near Gibraltar. Nineteen persons were missing and 34 were injured, according to rescue officials.

The 19,070-ton Panamanian-registered tanker *Petrageon One* exploded as it was unloading naphtha. Fire engulfed the vessel and spread to the 4,222-ton Spanish tanker *Campanavia*, which was moored alongside.

The cause of the first explosion was not known.

The dead included Spanish seamen and dockers and Japanese and Korean sailors.

Rescue officials said the final death figure could rise when divers search the hulls.

The *Petrageon One* was owned by Wells Ltd. of Panama and the Spanish ship by the Spanish state oil distribution company.

Port officials said that most of the crew members were on board their ships at the time of the explosions. There were 29 crew members on board the *Petrageon One* and 30 Spaniards on the *Campanavia*.

Officials feared that bodies remained inside both vessels. Those on board stood almost no chance of surviving, they said.

Seven Spanish dock workers whose jeep was hit by the shock wave of the blasts were among the dead.

(AP, Reuters)

## South Africa Divestment Challenged Targeted Companies Complain of Errors and Unfairness

By Bill Sing  
Los Angeles Times Service  
LOS ANGELES — As the furor over apartheid in South Africa has grown in the United States, so have questions about how government, educational and private institutions target companies for divestment or other actions to protest business involvement there.

At least 34 cities and seven states have required their public pension funds to either fully or partly divest stocks of companies with ties to

South Africa, where segregation of the races is official policy. Some are also legally bound to grant preferences in contract awards to companies that have no investments there.

A growing number of universities, private foundations and mutual funds also have joined the movement toward divestment or reducing capital spending or employment there.

"We think the process is pretty arbitrary," said William D. Broderick, the Ford Motor Co.'s director

of international governmental affairs.

He and other business representatives complain that some so-called divestment lists include companies with smaller investments in South Africa than other unlisted companies, or that these lists unfairly include firms with strong records of aiding South African blacks.

There are other ambiguities. About 300 U.S. companies are typically targets for divestment because they show up on widely circulated lists as having employees in South Africa. But thousands of companies with substantial commercial trade involvement with the country escape detection because the lists do not identify companies without a physical presence there.

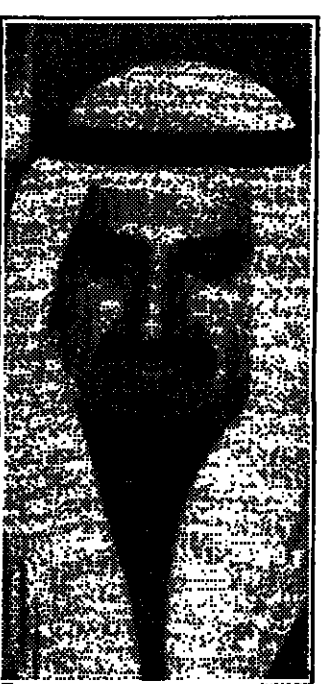
Some companies are mistakenly placed on divestment lists although they in fact are not in South Africa, while others with ties to the nation escape scrutiny because they do not report their activities there. Companies also have supplied incorrect or incomplete information about their South African activities, pension fund officials complain.

This effort to challenge apartheid is accompanied by growing movements in Congress to place economic sanctions against Pretoria and by demonstrations nationwide.

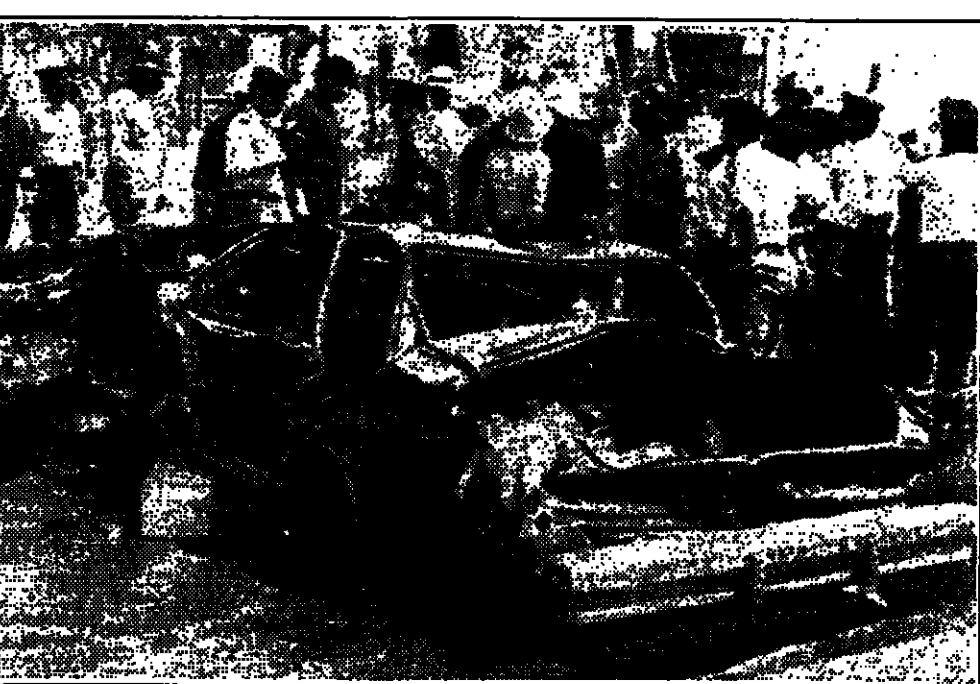
Last week, the chairman of the Senate Foreign Relations Committee, Richard G. Lugar, Republican of Indiana, announced that he was "ready to consider" immediate economic sanctions against South Africa.

Liberal legislators had previously agreed to introduce identical bills in the House and Senate that

(Continued on Page 11, Col. 6)



Jaber al-Ahmed al-Sabah



A car in the Emir's motorcade after the blast.

## Emir of Kuwait Escapes Assassination Try

By Christopher Dickey  
Washington Post Service  
BAGHDAD — The Emir of Kuwait narrowly escaped assassination Saturday as a suicide bomber drove a car into his motorcade.

Two of the Emir's bodyguards, a passerby and the driver of the attacking car were killed. At least 12 persons were reported injured.

The attack apparently was linked to efforts by Islamic extremists to force the release of 17 prisoners held by the Kuwaiti government.

The Emir, Sheikh Jaber al-Ahmed al-Sabah, 59, was reported by Radio Kuwait to have sustained only minor cuts from flying glass

and was released from the hospital after four hours.

The assassination attempt took place along the Kuwait City waterfront at 9:15 A.M. The extremist group calling itself Islamic Jihad claimed responsibility.

It was unclear whether the suicide vehicle was in the motorcade at the time of the blast. Bystanders were quoted as saying that it had sped out of a nearby gasoline station, crashed into the motorcade near the Emir's limousine and exploded.

Telephone calls to news agencies in Beirut brought repeated demands for release of the prisoners held in Kuwait for a series of

bombings there in December 1983, including attacks on the French and U.S. embassies, in which six persons were killed and more than 80 were injured.

"We once more demand the release of the detainees," a caller told Reuters. "Otherwise all the thrones in the Gulf will be shaken."

"We hope his royal highness has received the message," the caller said, adding: "An Islamic revolution will victory."

Persons making similar anonymous calls last week warned that failure to release the Kuwaiti prisoners would have "catastrophic" consequences for four American and two French hostages kidnapped

in Lebanon in the past two years. Kuwait has rejected the demands.

[Two more Frenchmen were kidnapped by unidentified gunmen last week on the main highway to Beirut International Airport in the city's southern suburbs. The Associated Press quoted the police as saying Sunday in Beirut. The area is dominated by Shiite Moslems.]

[The police said that the French Embassy in Beirut had informed Lebanese security agencies that the two, identified as Michel Seurat, a researcher, and Jean-Paul Kauffmann, a journalist, disappeared on May 19.]

Kuwait closed the country's border

(Continued on Page 2, Col. 1)



Seven alleged accomplices of Mehmet Ali Agca go on trial today in Rome in the shooting of the pope.

**INSIDE**

- King Hussein of Jordan meets with President Reagan this week, seeking nothing less than a breakthrough in the Middle East peace process. Page 2.
- Budget proposals approved by the U.S. Senate and House would both fall far short of limiting the deficit to \$100 billion by 1988, independent analysts agree. Page 3.
- A Massachusetts regulation would prohibit the placement of foster children with homosexuals. Page 3.
- Talks to end a strike of pilots against United Airlines of the United States collapsed. Page 3.
- The United States protested to South Africa over a raid into Angola. Page 5.
- Chilean censorship is seen as a key element of the country's state of siege. Page 5.
- The Reagan administration's foreign aid plans are being studied carefully by Democrats, some of whom remain angry about the Republicans on the issue previously. Page 5.
- A member of the Central Committee of Poland's Communist Party has been granted asylum in Denmark. Page 5.

**BUSINESS/FINANCE**

- American Motors will close its last U.S. assembly plant. Page 7.
- Lee Fan Aircraft's venture to build an ultra-lightweight executive jet in Northern Ireland collapsed. Page 7.







## BRIEFS

## Against Strikers

part in the Netherlands, where they heavily fined it for refusing to work Saturdays and most Sundays.

## Suit Over Namibia

United Nations court panel to hear suit by South Africa against the United Nations over its refusal to allow South Africa to continue its occupation of Namibia.

## 10,000 Swept Away

On Sunday it appeared that 10,000 waves washed over the island and that no signs of the 1,000 deaths confirmed in the 1970s (Bangladesh) were left.

## on Boundaries

For Minister Friedrich Zimmermann, the German-Luxembourg border has been recognized for the first time.

## Reduction Now

the United States has reduced its military presence in the Soviet Union, but he reports that American males who are prone to battering their wives are especially likely to do so when watching football on television.

## George Washington and the Widow Custis

Historians have long known that when Martha Dandridge Custis, a 26-year-old widow, married George Washington, she was rich. Only recently have they discovered how rich: The stained and faded pages of one of George Washington's letters, tucked away in a Washington and Lee University vault for the past 75 years, show that Martha's first husband left her \$29,650 in colonial Virginia currency — \$6 million in today's money.

## Notes About People

Vanessa Williams, who lost her Miss America title last July when it was revealed that she

## Experts Are Dubious On U.S. Budget Cuts

By Tom Redburn

WASHINGTON — The Democratic budget proposal approved by the House last week, relies on "smoke, gimmicks and other assumptions" to cut \$56 billion from the federal deficit next year, according to Robert J. Dole, the Senate Republican leader.

Independent analysts agree that Mr. Dole's allegations are true, but they add that the Kansas has failed to acknowledge that the Republican budget the Senate passed earlier this month depends on similarly questionable assumptions to reach its own \$56-billion target.

Most important, the analysts say, both budget alternatives are almost certain to fall short of limiting the federal deficit to about \$109 billion by 1988, a level that many economists think the government should reach if the nation is to avoid serious economic problems.

By comparison, the deficit is expected to hit a record \$217 billion this year.

For example, according to a report released last week by the non-partisan Congressional Budget Office, the Senate-passed spending plan, instead of pushing the deficit down to \$104 billion by fiscal year 1988, as advertised, would leave a deficit of \$149 billion.

The House budget has not yet been analyzed by the budget office, but like the Senate budget it depends on relatively optimistic economic assumptions about growth, inflation and interest rates.

For instance, the Democratic plan, unlike the Senate budget, assumes that \$4 billion can be saved next year by improving government contracting and that another \$4 billion in revenues will be available from settlement of a long-standing dispute between the states and the federal government over oil money from offshore drilling.

Senators maintain that their plan would save \$115 billion in three years by holding down military spending, and House members say their Pentagon cuts would save \$137 billion.

But the budget office reports that both savings claims are exaggerated. This is because they both base their military "cuts" on reductions from the high levels assumed in an agreement, no longer in effect, between the Reagan administration and Senate Republican leaders that was reached more than a year ago from the White House Rose Garden.

## A Comparison of Budget Plans

Rounded figures in billions of dollars for fiscal years. The President's 1986 budget was proposed Feb. 4. Senate/White House compromise plan passed the Senate on May 10; House plan was approved Thursday.

	1985 (projected)	1986 Reagan budget	1986 Senate/White House plan	1986 House plan
Outlays	\$854	\$872	\$865	\$867
Revenues	736	793	794	794
DEFICIT	\$217	\$179	\$171	\$173

Sources: House and Senate Budget Committees, Office of Management and Budget and Congressional Budget Office

The New York Times

But on Saturday, the chairman of the House Budget Committee, William H. Gray 3d of Pennsylvania, defended the Democratic budget plan as a realistic alternative to the Senate spending program.

"Let me remind the president that he asked for \$50 billion in spending cuts and we gave him \$56 billion in spending cuts," Mr. Gray said.

Reagan Deplores House Plan  
Mr. Reagan declared Friday that the House budget would endanger national security and was "unacceptable to me and to the American people." The Washington Post reported.

Nevertheless, the president would accept the House plan to eliminate a one-year freeze on Social Security cost-of-living increases if House-Senate conferees came up with "real savings of the same magnitude," according to the assistant White House press secretary, Albert Brashear.

In a speech to the National Manufacturers Association, Mr. Reagan said the military cuts voted by the House "would undermine our negotiating position in Geneva and put the defense of our nation at risk." He praised the Senate version of the budget as "a major effort to control government spending" that would "prepare the way for tax reform and help put our economy on a growth path through the end of the decade."

On Saturday, the president devoted his weekly radio address to the tax-reform initiative he plans to offer Tuesday. The New York Times reported. Mr. Reagan, giving the first details of the plan, said it would assist families by greatly expanding the personal exemption, lowering the standard deduction, lowering rates and retaining the deduction for home mortgage payments on principal residences.

Mr. Reagan also promised that the plan would significantly reduce taxes for the majority of Americans while assisting low-income households and allowing "working poor families to climb up the ladder of success."

## United Air Talks Stall Over Role of New Pilots

By Douglas B. Feaver

WASHINGTON — Contract negotiations between United Airlines and its striking pilots have collapsed after both sides rejected a federal mediator's proposal to settle the new issues created since the strike began May 17.

No talks were scheduled and prospects are good for a protracted, bitter dispute at the largest U.S. airline just as the peak summer travel season begins.

After the breakdown Saturday, United reiterated plans to hire and train replacement pilots for the 4,900 striking members of the Air Line Pilots Association.

United has been operating 209 flights daily to 41 airports for most of the past week, about 14 percent of its pre-strike schedule.

The company said it has already hired 100 replacement pilots and that nine of them had completed training and were flying Saturday. The carrier's cockpit, maintenance and dispatch procedures have been under special surveillance since the strike began, according to Anthony J. Broderick, the Federal Aviation Administration's associate administrator for aviation standards.

"I think we can be 25 percent up and flying by July 1," said John R. Zeeman, United's executive vice president for marketing and planning.

Five days of intensive talks apparently had settled what all parties agreed was the only question on the table: United's proposal to pay new pilots on a lower pay schedule than current pilots.

The negotiations broke down over questions of union solidarity and management determination. Both sides had promised to protect the people who helped them: in the case of the pilots, those who did not work after the strike began; in the case of management, those who did.

According to sources, the issue of two wage scales was settled when the pilots agreed to have a two-schedule system for 12 years, to be renegotiated once, at the end of six years. The schedules would have merged into one at the end of 12 years.

With that settled, negotiators turned to "back-to-work" issues. The key was 500 pilots United had trained but not hired and had planned to use as strikebreakers. However, all but four of those 500 pilots honored the picket line in exchange for union promises that they would be protected.

The company's position is that the union "doesn't represent those people," Mr. Zeeman said. A union spokesman, Don Skidos, said that "as long as they hold these young men and women hostage, no doubt the pilots at United Airlines will stand up for them."



## A better way to invest in U.S. Treasury bills.

And rated AAA for safety by Standard & Poor's.

\* Capital Preservation Fund International invests exclusively in short-term U.S. Treasury Bills, backed by the guarantee of the United States Government.

\* It is the only off-shore fund to receive Standard & Poor's AAA rating, reflecting "the highest quality with unquestioned credit-worthiness."

Based in Luxembourg, CPF International offers safety, privacy and confidentiality. For the non-US citizen, it provides legitimate avoidance of Luxembourg and U.S. withholding and estate taxes with additional tax advantages in several countries.

The investment advisor for Capital Preservation Fund International is Benham Management Corporation of Palo Alto, California, which manages more than US\$2.5 billion in similar funds in the United States.

For further information, send for a prospectus. All enquiries will receive immediate and discreet attention.

To: CPF, 5 Rue Aldringen, 1180 Luxembourg, Tel.: 2987, Tel. 47 56 12.  
Please send your Prospectus to: In: English ☐ German ☐

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Country: \_\_\_\_\_

Capital Preservation Fund International

## AMERICAN TOPICS

## Domestic Violence, American-Style

"British football crowds are more violent" than American football crowds, concedes Christopher Reed, a correspondent in the United States for Britain's Guardian newspaper, but he reports that American males who are prone to battering their wives are especially likely to do so when watching football on television.

Clinics and refuges for battered women in the San Francisco Bay area, where a local team has won the Super Bowl American football final three times in five years, have noticed that calls increase after the match," he said. He cited one refuge, which averaged 7 to 10 calls a Sunday, that received 20 on Super Bowl Sunday. A clinic said that when the San Francisco 49ers won this year, "the phone rang off the hook."

Dr. Christopher Hatcher, a San Francisco clinical psychologist, said the man whose team wins is most likely to become violent if his wife does or says "anything which makes him less of a winner." A clinic executive in Oakland disagreed, saying that a loss hurt a male fan's view of himself and the masculine ideal. Bruce Ogilvie, a psychologist, concurred: "What is sadder than seeing your alter ego collapse?"

## George Washington and the Widow Custis

Historians have long known that when Martha Dandridge Custis, a 26-year-old widow, married George Washington, she was rich. Only recently have they discovered how rich: The stained and faded pages of one of George Washington's letters, tucked away in a Washington and Lee University vault for the past 75 years, show that Martha's first husband left her \$29,650 in colonial Virginia currency — \$6 million in today's money.

That doesn't include the more than 17,000 acres (nearly 7,000 hectares) of plantation land that the widow Custis and her two children inherited from Daniel Parke Custis, the Richmond Times-Dispatch reported.

The ledger "may be the most important addition to George Washington's material in more than a generation," said W.W. Abbott, a University of Virginia historian and editor of "The Papers of George Washington."

The size of the Custis fortune isn't necessarily a commentary on the reason for the future first president's marriage, Mr. Abbott said. Washington had his own inheritance, including Mount Vernon, and was a shrewd investor in frontier real estate. "By the time he met Martha he was not impoverished at all."

had posed for sexually explicit photographs that were published in Penthouse magazine, has sued that magazine and Tom Chappel, the photographer, for \$400 million, claiming fraud and exploitation. The photos appeared in two issues that sold a total of 10 million copies, for a total of \$37 million in sales.

Six "Doodlesbury" comic strips dealing with abortion have been held back from distribution to newspapers because they might have been considered too controversial to publish, the Universal Press Syndicate announced Friday. It said the decision was accepted by Garry Trudeau, the strip's creator. It was the first such incident in 15 years of "Doodlesbury."

Senator Barry Goldwater, 76, who has dominated Arizona politics for a quarter-century, has said he will not seek reelection next year. Far ahead in the running to succeed him is his fellow Republican, Representative John S. McCain 3d, 48. A former war prisoner in Vietnam, Mr. McCain is untitled by the fact that he has lived in Arizona only five years. The state is full of newcomers, and as a navy officer and the son of one, he never before had a chance to put down roots. Or as he put it, "The longest place I ever lived was Hawaii."

Tony Curtis, the actor, apparently has little future as an author. In 1977, he signed a contract with Doubleday for a novel, "Starstruck," described as a "rags to riches story of a lascivious Hollywood starlet." The Washington Post reports that during the past week Mr. Curtis received a rejection notice and was asked to return the \$30,000 advance. Doubleday described his manuscript as "junk, pure junk."

Faron Young, 53, a country music star for 30 years, and known for such hits as "Hello Walls" and "Live Fast, Love Hard, Die Young," says the secret of his long-lived success is simple. "My secret drink is expensive whiskey," he said in Nashville. "I smoke cigarettes, but I drink very expensive whiskey."

— Compiled by ARTHUR HIGBEE

## State Bans Homosexual Adoptions

By Dudley Clendinen

BOSTON — Massachusetts, after two weeks of intense public debate, has announced a policy that would essentially prohibit what had been legally possible in every state: the placement of foster children in the care of homosexuals.

In the future, Massachusetts will ask the sexual preference of anyone applying to be a foster parent, Philip W. Johnston, head of the Department of Human Services, said Friday.

It will seek to place children only "in traditional family settings," he said. "That is, with relatives, or in families with married couples, preferably with parenting experience and with time available to care for foster children."

The decision grew out of a controversy surrounding the disclosure that the state had placed two young brothers in the care of a male couple who had been candid about their homosexuality. But Governor Michael S. Dukakis denied that the new policy discriminated against homosexuals.

"We're not talking about sexual preference here, we're talking about what's in the best interest of the children," the governor said, adding that he meant a conventional home environment.

"I think that's what the vast majority of people in this country believe," he said. "I believe it."

Jeff Levi, acting executive director of the National Gay Task Force in Washington, said Massachusetts "is denying the fact that a gay couple can create a loving family and a loving environment for children, and that's unfortunate for the children, and for the couples who want to be parents."

# Not surprisingly we offer you better service to and from Scandinavia than any other airline.

## It's our own backyard.

## EuroClass — the complete Business Class within Europe at no additional cost.

- ✓ You fly the most punctual airline within Europe.
- ✓ High quality meals.
- ✓ All drinks, wine and other refreshments are free including champagne.
- ✓ In EuroClass, you select your seat in a separate cabin.
- ✓ More legroom.
- ✓ Comfortable contoured chairs.
- ✓ Five abreast seating gives you more elbowroom.
- ✓ A 30 kilo free baggage allowance leaves lots of leeway for whatever you've got to carry.
- ✓ You're welcome to our Business Service Lounges throughout Scandinavia and at other locations in Europe.
- ✓ You can make your SAS reservation 24-hours-a-day, year round by phoning Copenhagen at: +45-114 75 55.
- ✓ Only SAS offers hovercraft service between Malmö and Copenhagen International Airport.

**SAS**  
The Businessman's Airline

## Medical Studies in U.S. Retracted After Inquiry

By Robert D. McFadden

NEW YORK — Nine technical studies by two staff members of Columbia University's College of Physicians and Surgeons have been retracted from medical journals because they were based on "data of dubious certainty," the university has reported.

The studies, dealing with chemicals that regulate the flow of blood, were co-authored by Dr. S. Alexander Stalcup and Dr. Robert B. Melins of the college's pediatrics department, and appeared in four leading U.S. scientific journals from 1979 to 1984.

While the two doctors have denied any wrongdoing and no disciplinary action has been taken against them, the case has raised concern over a widely perceived erosion of trustfulness in academic studies, fueled in part by major cases of scientific fraud in recent years.

The studies, which appeared in the Journal of Clinical Investigation, Circulation, Circulation Research and the Journal of Applied Physiology, have been withdrawn voluntarily by the authors after investigations ordered by Columbia University were critical of the authors and their methods, a spokeswoman said Saturday.

She said that two special investigating committees, one comprising faculty members and another comprising outside medical experts, did not find any evidence that data used to support the studies had been deliberately falsified.



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## The Right Choice on MX

The eternal verities in defense now seem to have a shelf life of about two months.

Take the super-accurate, super-powerful MX missile, designed to hit such sensitive Soviet targets as missile silos and command posts. In March it seemed clear to us and others that as flawed as the missile was, it was worth keeping in production in order to strengthen President Reagan's bargaining hand at the newly opened Geneva talks. This was the theory on which Congress authorized the production of 21 more such missiles.

But last week a substantially new MX formula swept through the Republican Senate. The administration, slow to realize that the MX was probably being saved from extinction by the Democratic House, fought the new formula fiercely but finally went along.

The president had already agreed to reduce his original bid for a total of 200 MX missiles to 100. The Senate imposed a new lid of 50 for so long as the missiles are deployed in old Minuteman silos. In those vulnerable silos, argued Senator Sam Nunn of Georgia, zeroing in on what has always been acknowledged as the MX's gravest flaw, a president would be under terrible pressure to fire first in a crisis in order to ensure that his MX force hit its intended targets (Soviet missiles in their holes) and that it was not wiped out in a Soviet first

strike. A powerful and accurate weapon that will be targeted first and must be fired first is, unavoidably, a first-strike weapon, one inconsistent with professed American strategy.

The Senate did not entirely ignore the need to keep cards in the president's Geneva hand: Some additional MX missiles will be deployed and others can be produced for spares and tests. Still, it is hard to imagine what is going to remove the cap of 50. For more than a decade, successive administrations have examined dozens of basing ideas and have yet to find one that meets Mr. Nunn's reasonable test. The practical effect of the senator's amendment is likely to be to top off the MX program and accelerate the program for a small, single-warhead, land-based missile: Midgeman. Midgeman is mobile and can be hidden, qualities that make it a second-strike weapon.

We think Senator Nunn has done a useful, important thing. Evidence of continuing U.S. arms programs must be shown to the Russians, who long have had the equivalent of MXs, to put them in a bargaining mood. The 50 MX missiles, with their total of 500 warheads, are not inconsiderable. But moving from the vulnerable and therefore first-strike MX to the invulnerable and therefore second-strike Midgeman is a trend well worth accelerating.

—THE WASHINGTON POST.

## Tax 'Reform' and the Poor

To push through something that will be called tax reform, President Reagan seems ready to yield concessions to all sorts of important constituencies, from oil wildcaters to university fund-raisers. Yet deplorably, the president persists in his determination to attack the one tax benefit that is of clearest benefit to the nation's poor: the deductibility of state and local taxes.

From his perspective, that may be a neat political trick: The deductions cost the Treasury a whopping \$28 billion, revenue that the administration would rather spend for lowering everyone's tax rate. And unlike smaller deductions, this one is not defended by any powerfully organized interest group.

In economic and social terms, however, no other federal tax deduction has such a clear justification. If the deduction is lost, this tax "reform" will largely amount to a further loss of federal subsidy for the poor people who depend on states and cities for basic services.

Yes, the right to deduct state and local taxes from federally taxable income is a "loophole"—and one that at least optically benefits the well-to-do. Two-thirds of all taxpayers derive no value from it because they do not itemize any deductions on tax returns. Moreover, for those who do itemize, the benefits increase with income. A couple earning \$25,000 gets 25 cents in federal tax relief for every dollar it pays in local taxes; a couple earning \$200,000 saves 50 cents for every dollar.

Compounding this apparent inequity is the fact that the value of the deduction varies greatly from state to state. Last year the benefit per person in low-income, low-tax Louisiana was only \$34. But in high-income, high-tax New Jersey, the average benefit was \$169. In Minnesota, it was \$181; in California, \$188.

Why, then, defend this federal redistribution of wealth? Because the differences in benefit are explained mostly by the states' different burdens in caring for poor people. The federal government pays some of the welfare and medical bills of poor Americans. But

states and cities carry most of the cost of their education, police protection and other basic services. And it is middle- and upper-income taxpayers who must foot the bill.

Many of these affluent taxpayers, it is argued, stand to gain as much from the lower federal tax rates that the president promises as they would lose in the effectively higher state and local tax rates that would ensue. The reform might well leave them unharmed. But with most comparable taxpayers in low-tax states getting a net reduction, the high-tax states and cities would come under irresistible pressure to reduce their tax rates—and thus their budgets for supporting the poor.

Today, an affluent resident of New York City, paying 18 cents in state and local taxes for an extra dollar of income, might look with envy on a Floridian who pays no income tax at all. But he can take some comfort in the fact that half the 18 cents will be subtracted from his federal tax bill.

If that deduction is lost, the relative tax cost of living in New York City or Los Angeles or Milwaukee would rise significantly. That would increase the temptation to flee the high tax states, reducing their tax base, or to demand a state tax cut, reducing services to the urban poor. Either way, the poor would end up financing much of the reform.

This is, plainly, a difficult argument to make in the political arena. And this circuitous routing of federal funds to states and cities and then to the poor is certainly an inefficient way of discharging what ought to be a clear and compelling national responsibility. A fair approach to reform would recognize that eliminating the local tax deduction would more than pay for a federal takeover of welfare and related services.

But the Reagan administration seeks to shed federal responsibilities, not to assume new ones. Whatever virtues remain in this proposed tax reform, they are being overwhelmed by a callous neglect of the weakest Americans.

—THE NEW YORK TIMES.

## Embassy Protests (cont.)

We continue to look in vain for anything resembling a consistent federal prosecution policy toward demonstrators in Washington—and there is still an apparent arbitrariness to it that, absent a good explanation, is politically fishy. In March, we noted that 1,665 people had been charged with breaking a law by demonstrating within 500 feet (150 meters) of the South African Embassy, and that U.S. Attorney Joseph E. diGenova had seen to it that charges were dropped before anybody went to court. At the same time, a woman was arrested for a similar offense in front of the Soviet Embassy, and she was prosecuted.

At the time of the first South African Embassy arrests, prosecutors were said to believe that the charges would result only in "show trials" that would focus attention on the apartheid policies of the South African government but would accomplish little in terms of law enforcement. Why that would not be so for protests at other embassies never was made clear. At any rate, one prosecutor warned them that the Justice Department would take a very different view of demonstrators arrested a second time. Then, earlier this month, some of those same demonstrators were arrested again, after a two-day sit-in at the downtown Washington offices of an international coin exchange firm that had been selling South African Kruggerands. Again, charges were dropped. True, this was not an embassy case, so perhaps technically it was not a "second time." But which laws count anymore?

Since November, more than 2,000 people have been arrested at the South African Embassy in Washington—and all charges have been dropped. Yet in Chicago, a jury trial was conducted for eight apartheid protesters; it ended in acquittal after the defendants argued that demonstrations at the South African consulate were necessary to fight apartheid.

Obviously the leaders of the demonstrations want their day in court, with the public exposure that comes from it. Is this what the federal prosecutors seek to deny by dropping charges? What other embassy and demonstrators might qualify for this exemption? Justice confused is akin to justice delayed: It is not there.

—THE WASHINGTON POST.

## FROM OUR MAY 27 PAGES, 75 AND 50 YEARS AGO

1910: Scott Set to Try for South Pole

PARIS — There is but little romance left in these over-chilled times, and this old Edward has but few corners now which are of common knowledge to the masses. Thus it is not often given to men of this generation to feel the generous thrill with which our forefathers watched the mariners depart to penetrate the mysteries of the Western Ocean, and even the South Seas have lost their glamor. Yet there still remain the regions around the Poles to keep alive the spirit of adventure. Now one reads that Captain Robert Falcon Scott, of the British navy, accompanied by a band of officers and scientists, is about to start for the Antarctic. Captain Scott's expedition is a national undertaking, and nothing that science can suggest has been omitted to forward the endeavor to reach the Southern Pole.

1935: Farmers Support U.S. Subsidies

KANSAS CITY — President Franklin D. Roosevelt's agricultural policy, criticized in many quarters, appeared to have been endorsed by wheat farmers, who on the basis of early returns in votes (on May 25), approved of retention of the wheat adjustment measures under the Agricultural Adjustment Act. Many considered the voting a test of the Administration program, and returns would tend to show that a majority of the farmers are satisfied with the program under which they have received hundreds of millions of dollars for plowing under wheat and reducing their planting. The program has been one of the most daring experiments in the history of agriculture. Wheat farmers were confronted with a disastrous marketing situation in 1933, necessitating cooperation under the Federal Agency.

## The Civil War in South Africa Has Started

By Breyten Breytenbach

This is the second of two articles.

PARIS — Elliott Abrams, the outgoing U.S. assistant secretary of state for human rights, argued recently that many changes had been effected in South Africa since Pieter W. Botha came to power. As proof that Mr. Botha was moving away from entrenched white domination, Mr. Abrams cited the splitting off, to the right, of part of the Afrikaner tribe.

From the Afrikaners' point of view, at least two significant shifts did occur. The first was the breakup of Afrikaner tribal orthodoxy, the split between Far Right and Pragmatic Right. This break, caused by the pragmatic Nationalists' realization that they would have to co-opt the Asian and "colored" minorities to extend their power base, could not but blur the outlines of apartheid. The cosmetic blurring proved too much for the keepers of the tribe's cultural and ideological purity. This shift to a base no longer exclusively white is probably permanent: The government's declared intention to abrogate laws pertaining to "mixed" marriages makes a healing of the split impossible.

The second shift is illustrated by increased militarization and the growing political influence of the military. South Africa has moved from an old-fashioned colonialist setup, with Westminster political structures assuring vestigial democracy for the minority, to a Third World autocracy typified by pervasive state control, a rampant bureaucracy, antiquated economic structures, progressive impoverishment and a transfer of power from politicians to security experts.

There has been effectiveness but no progress. Reform, in the current context, consists of piecemeal methods of adaptation. The underlying pattern remains one of military containment. Conflicting signals emanate from South Africa only because the game is veiled. The strategy is probably military—apparently incoherent and sensitive to pressure—but with clear goals.

The strategy allows for influences by, say, cultural or foreign policy developments. But the plans remain constant: Sectioning the country into a military grid that would assure control and allow for a sustainable level of resistance; liber-

alizing some obsolete apartheid fixtures to procure "colored" and Asian support and assuage foreign faithlessness; creating alternative representative structures to divert black demands, strengthening the household, driving a wedge between rural and urban blacks—ultimately regrouping this nation's nest of institutions and bodies into the semblance of a participatory confederation that would leave white political and economic power intact.

These internal readjustments are accompanied by an aggressive foreign policy expressed by creating or supporting rebel factions in neighboring states (Angola, Mozambique); by direct incursions (in Lesotho, Angola, etc.); by establishing a military presence of sorts elsewhere in Africa, or weaving a tissue of complicity by selling arms (Somalia, the Comoro Islands, Malawi, probably Zaire); by putting the world community before a fait accompli in Namibia.

In all this, Pretoria serves interests of the United States, which has no quarrel with the military stance and uses South Africa as a conduit for funneling aid and influence to sub-Saharan Africa. Policy-makers in Washington misread and mislead their own concerned public.

How else can the world live with the raw terror emanating from South Africa? Officially more than 250 people have been killed (including one white) since last September, when the new constitution came into operation. Recently 14,000 miners were fired for striking, before an agreement finally was negotiated. New treason trials are setting up the United Democratic Front for

liquidation by linking it to the African National Congress and thus to the Communist Party. We know from the inquest into the Uitenhage massacre that the police have orders to shoot to kill. And they do. Women and children. In the back.

Despite this, and although majority spokesmen have repeatedly asked for a total isolation of the country, a consortium of 12 European banks recently granted a \$75-million loan to Pretoria. Among the contradictions that those nominal-ly in power may have to solve will be overextension of their military capacities, the economic policy that makes it impossible to follow through after breaking a neighbor (with what are they going to rebuild Mozambique?) and losing policy control over their own armed forces.

But the true changes—taking into account that any interpretation must be a blunting instrument—are the following: There has been an all-out collapse of the "middle ground" where, but total collapse of the "middle ground" where, but mutual good will, the future could have been talked into shape. (It is true that borderline contacts with the ANC have been established, but these are as yet too timid to pull the reins out of interdependence and provoke a need to continue talks that, in turn, could create grounds for negotiations.) Blacks no longer plead for participation. The white state is rejected.

The strategy of reform, although modifying some elements, has no grip on the future. And although there is not yet a majority strategy for revolution, there is a depth to the despair and bitterness among the people—and an inner liberation, too: a cultural awareness, a political tempering—that expresses itself in the willingness to die for the cause, in the burning of corpses, in the attempts to create autonomous power centers and people's armies. The mourning, the strikes, the marching, the acid smoke, the breakdown of white-imposed civil structures, the refusal to accept white "peace"—all flash one clear signal: The point of no return has been reached. The civil war has already started.

Mr. Breytenbach, the Afrikaner poet, contributed this comment to the Los Angeles Times.

## Ortega's Ill-Timed Pilgrimage

By Tom Wicker

NEW YORK — President Daniel Ortega Saavedra of Nicaragua may never take a trip more ill-timed than his recent pilgrimage to Moscow, immediately after the House of Representatives voted down all proposals for any form of aid to the "contra" guerrillas trying to overthrow the Sandinist government.

Not that Mr. Ortega, the head of a recognized (even by the Reagan administration) government, does not have a perfect right to go anywhere he is welcome, any time he wants to, and ask for aid from anyone who will give it. And not that those Democrats (and some Republicans) in the House who voted against aid to the contras had any reason to suppose that Mr. Ortega headed a Jeffersonian government, or to act as if they just found out he is a Marxist revolutionary.

Still, Mr. Ortega's timing was wretched. Secretary of State George Shultz now threatens to send U.S. troops to Nicaragua unless Congress provides "humanitarian" aid to the contras. And Democratic members of Congress, already nervous about voting against President Reagan and, in effect, against the attempted overthrow of a Marxist regime in Central America, have seized upon the Moscow trip to have it both ways. Throwing up their hands in holy horror because a Marxist journeyed to the Mecca of Marxism, they are eager to balance their ticket with some kind of aid to the contras—"nonlethal," of course, or "humanitarian" and not to be administered by those dreadful Cold Warriors of the CIA.

Whom do they think they're kidding? The issue is not and never has



been the virtue of the Sandinists, or their political hue, or their links with Havana and Moscow, about which no member of the House can have been in any doubt even before Mr. Ortega set foot in the Kremlin.

The issue is whether the United States should sponsor, arm and finance a guerrilla organization, heavily tainted with survivors from the Somoza regime, the stated goal of which is to overthrow Nicaragua's recognized government and replace it in power—a guerrilla organization, at that, whose tactics reputable investigators have found sometimes indistinguishable from the terrorism that, in other cases, no one denounces more fervently than Ronald Reagan.

Now that Mr. Ortega has visited Moscow, does the United States have more justification for this enterprise? No, because the trip tells us nothing about the Sandinists nor already

known when the House voted against aid to the contras.

Are the contras more acceptable now? No—what Mr. Ortega does has nothing to do with what they are.

So if members of the House believed at the time of the vote that they should not provide aid to the contras, Mr. Ortega's trip gives them no cause to change their minds—no cause except the headlines it created, which aroused the ever-lurking fear of American politicians that the hard-line public may somehow judge them "soft on communism."

"Nonlethal" and "humanitarian" aid, less harshly in the ears of what- ever softer-line public may have survived the Reagan years. It is all right to send shoes for the bleeding feet of contras, and C-rations for their empty stomachs; but bullets and rifles would offend the sensibilities of

those opposed to military interventions, overthrowing governments, and terrorism.

It is a fraud, whether nonlethal, humanitarian or both. Every dollar Congress appropriates for shoes, food, pay and clothing is a dollar the contra leaders do not have to raise elsewhere—which means that the ample dollars they can get from private sources in the United States and in the Latin countries can and will be spent for weapons and ammunition.

So it is not a matter of what kind of aid Congress should provide for the contras; it is a question of whether aid of any kind should be provided. If it should, Senator Christopher Dodd of Connecticut has the best idea—\$14 million to relocate and resettle the contras and put an end to the Reagan administration's proxy war. Don't hold your breath till it happens.

The New York Times.

## On Memorial Day: Two Cemeteries, Two Messages

By William G. Andrews

PARIS — Many cemeteries are grim, bleak boneyards, struck mute by their morbid role. Others cry out with eloquence that far exceeds the power of words. The latter include the American cemetery at Omaha Beach and the Soviet military memorial in East Berlin.

Omaha Beach is dominated by the 9,386 individual graves of American servicemen who died in the D-Day landings or in the struggle to secure the Normandy beachheads. Hundreds of rows of gracefully up-headed stones enclose the closely cropped, velvety lawn. The gleaming white Italian marble is topped by stars of David for those of Jewish faith or shaped as Latin crosses for the others. The stones are arranged in perfectly straight lines—laterally, longitudinally and diagonally. Viewed on the bias, the markers fan out like branches on a stylized tree of life, multiplying endlessly into infinity.

Here rests in honored glory a comrade in arms known but to God" appears on the 307 headstones of unknown soldiers. Each of the others bears the full name, rank and unit, the home state and the date of death of the serviceman it honors. Inscribed on the walls of the nearby memorial is similar information about 1,557 Americans whose bodies are missing or unidentified.

In contrast, the Soviet servicemen in East Berlin are interred in mass graves. Four large, rectangular burial plots occupy the center of the site. Each contains 700 bodies. Flanking them are eight huge sarcophagi. Bar- rels on their sides depict events of the Red Army's march from Moscow to Berlin. Quotations from Stalin enliven their ends.

Beyond those graves rises a 100-foot (30-meter) monument, the dominant feature of the cemetery. Its base is a 30-foot-high burial mound con-

taining the remains of 2,200 Soviet war dead, interred standing erect. On their shoulders, they bear symbolically a 28-foot cylindrical mausoleum and, above it, a 38-foot statue.

Inside the mausoleum are an eternal flame, a "socialist realism" mosaic portraying the Soviet people mourning their war dead, and a book with the names of those buried in the cemetery. Heavy iron bars deny visitors access to the mausoleum.

The statue represents a Soviet soldier in full battle dress, seven times life size. His left arm holds protectively a small German child, and his right hand grips an outsize sword whose point impales a bent and battered swastika that is also being ground underfoot by the soldier. Official East German guides explain that this symbolizes future German generations being rescued from the evils of Nazism by the Red Army.

The most visible statue at Omaha Beach is less than one-fourth as high as its Soviet counterpart. It represents "The Spirit of American Youth" rising from the sea with neither uniform nor weapon. On its base are the words "Mine eyes have seen the glory of the coming of the Lord."

The symbolic significance of the Soviet cemetery's location seems unintended. It lies in central Berlin's Treptow Park, a lovely wooded area that has been a popular recreation spot since the late 19th century. Bounding the park on two sides is the Berlin Wall, the most palpable evidence of Soviet oppression.

The location of the American cemetery is very different. It overlooks the D-Day landing beach in the Normandy countryside. Stairs and a path lead down the steep slope to the tidal flat. From there, the perilous ordeal that faced the invasion troops strikes the imagination vividly. Those towering cliffs were permeated then with concrete fortifications that poured down deadly artillery and gunfire. Up that treacherous incline the Americans fought, across mine fields, barbed wire and barriers.

To climb that cliff and to stroll among the graves of the soldiers who died in its conquest is an unforgettable emotional experience. The magnitude and value of their sacrifice sears the souls of all who visit there.

The effect of Treptow Park contrasts sharply. Its mass graves bespeak a systematic suppression of individuality. The valiant sacrifices of each of the millions of Soviet soldiers who died in the fight against Hitler are somehow fused, twisted. The bizarre symbolism and political posturing glorify military might as a means of domination and oppression. Yet all the bombast fades away in the soft lapping of the surf at Omaha Beach, with its imperishable message about the tragic nobility of war in the service of free people and a just cause.

The writer, a professor of political science at the State University of New York at Brockport, contributed this to the International Herald Tribune.



## In Greece, A New Vote For Change?

By Andriana Ierodiakonou

ATHENS — Next Sunday's general elections in Greece "are not going to be about tomatoes and oranges, but a clash between two worlds—the world of the sun and of darkness," a senior Socialist government minister declared recently.

The statement came not from a poet manque but from a hard-nosed politician. PASOK, the Panhellenic Socialist Movement of Prime Minister Andreas Papandreu, is facing a

## LETTER FROM ATHENS

renewed challenge from the conservative New Democracy Party, which the Socialists (trounced in the 1981 elections) end almost a half-century of far-right rule in Greece.

PASOK has now decided that the 1985 campaign is better fought as a cosmic battle between two diametrically opposed political ideologies than as a contest of rival policies on fruit-and-vegetable issues.

When Greeks voted the Socialists to power with a crushing 49-percent majority three and a half years ago, they had a dream. That dream had much to do with daily things like tomatoes and oranges (in the dream they were cheap for housewives while fetching a good price for farmers), hospitals (the dream of ones were clean, available and efficient), pollution (the sky over Athens was again a pristine blue) and state bureaucracy (as few as possible).

New Democracy had performed poorly in all these areas. The hope was that PASOK would do something about them. The sum of these hopes was neatly encapsulated in PASOK's one-word campaign slogan: *Alaghi*, or change. Today many Greeks feel that the dream has not even started to become reality. In the 1984 European Parliament elections, which were viewed in Greece as a barometer of national feeling, the Socialists fell sharply from a 12-percent lead over New Democracy in 1981 to a 3.5-percent lead.

Realizing this, PASOK has turned to the war of the political world (in which "the sun," of course, represents PASOK, whose party emblem is a rising sun, and "darkness" stands for the conservative opposition) as the most effective defense against the challenge from the right.

The Socialists' strategy is to identify New Democracy with the divisive experiences of the 1967-74 colonels' dictatorship and the bloody 1945-49 civil war, in the aftermath of which the victorious Allied-backed forces of the right fought zealously to erase any trace of the defeated Communists from Greek society.

At campaign rallies, "democratic men and women" are called upon to vote for PASOK. "The people don't forget what the right is all about," is a key Socialism slogan.

New Democracy is fighting back with a "would-you-buy-a-second-hand-car-from-these-people" campaign. It ties its arguments to the Socialists' 11th-hour dumping of President Constantine Karamanlis as candidate in a parliamentary vote for a new head of state in March. Mr. Karamanlis founded New Democracy after the collapse of the dictatorship and headed the two conservative post-junta administrations.

New Democratic politicians also accuse the Socialists of undermining the very democratic values the leftists claim to represent. The conservatives say the Socialists violated the constitutionally prescribed secret ballot in order to get their own candidate into the presidency.

This clash has led to what has become known as the "blue-and-green coffee-shop phenomenon"—the division of each neighborhood and village into fanatical political camps whose supporters, like soccer fans, identify with party colors—green for PASOK, blue for New Democracy.

The "two worlds" scenario, however, is now being challenged by a third party—the pro-Moscow Communist Party of Greece, or KKE, a dark-horse in the June election race.

The KKE's message is that the us-or-them dilemma posed by PASOK is artificial and that an alternative exists—the Communist Party—for real change in domestic and foreign policy. The Communists' aim is a role in running Greece through some sort of alliance with PASOK, an option the Socialists might have to consider if they end up in a photo-finish with New Democracy.

Greek voters would agree with the Communists on one thing—the chase after the elusive dream of *alaghi* is what the 1985 elections will again be about. It remains to be seen what the voters will do: whether they will give PASOK the second chance it seeks, solve the right of past inadequacies with a renewed mandate, or appoint the KKE the policeman of the dream. What Greeks will hope is that whoever they elect to power will do something about tomatoes, and maybe even oranges, too.

International Herald Tribune.

## LETTER

## SALT and Sanity

How encouraging to read the words of Eugene J. Carroll Jr. ("SALT's Importance to American Security," May 17) urging the United States not to exceed the SALT-2 limits on nuclear weapons. Of course any such increase is incompatible with the U.S. position at the Geneva arms control talks.

Unfortunately, U.S. nuclear policies appear to have nothing to do with sanity and everything to do with playing politics. Until the United States has a president with the wisdom to guide it toward an agreed step-by-step reduction in nuclear weapons, then the slow slide toward the nuclear abyss will continue.

ANTHONY R. CAVE  
Tronox, Switzerland.

INTERNATIONAL HERALD TRIBUNE  
JOHN HAY WHITNEY, Chairman 1984-1985  
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUEBNER, Publisher  
Executive Editor: RENE BONDY  
Editor: ALAIN LECOUR  
Deputy Editor: RICHARD H. MORGAN  
Deputy Editor: STEPHAN W. CONAWAY  
Deputy Editor: FRANCIS DESMAISON  
Deputy Editor: ROBERT D. KRANZBERG, Director of Circulation  
Deputy Editor: ROBERT D. KRANZBERG, Director of Advertising Sales

Director of the publication: Walter N. Thayer  
Managing Director: U.K. Robin MacKinnon, 63 Long Acre, London WC2E 9LT. Tel. 836-4802. Telex 362009.  
Gen. Mgr.: W. Gernsey, W. Lauenbach, Frankfurt 13, 6000 Frankfurt/M. Tel. 069/26733. Telex 416729.  
U.S. on capital of 1200 F. 8555 Montrose St. 32201/126. Circulation: Postmaster: Send address changes to: 332 York St., Second-class postage paid at Long Island City, N.Y. 11101.  
U.S. subscription: \$32.00 per year. Single copies: 10¢.  
© 1985, International Herald Tribune. All rights reserved.



## In Greece A New Voice For Change

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

## LETTER FROM

From the New York Times

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

By Antonia Lemos

ALEXANDRIA — A group of young people in the Egyptian city of Alexandria are trying to change the political system. They are part of a group called the "Young People's Front" (YPF). The YPF is a group of young people who are trying to change the political system. They are part of a group called the "Young People's Front" (YPF).

## Democrats, Still Bitter, Are Wary on Foreign Aid

By Clyde H. Farnsworth

WASHINGTON — Because it has no voting constituency, foreign aid is perhaps the most vulnerable of all spending issues that come before Congress. And this year it seems that the perennial drama over how the United States will help foreign countries is being played out with more than usual passion.

"We're not prepared to be sandbagged; we're not prepared to be punched bags for the Little League on your side of the aisle," Representative David R. Obey, Democrat from Wisconsin, said today.

Mr. Obey, chairman of the House subcommittee on foreign operations, was sounding off in a debate with Treasury Secretary James A. Baker 3d, a quiet-spoken Texan.

Mr. Obey's aggressiveness grew out of a conflict a couple of years ago, when Republicans tried to shelve Democrats who were supporting the sending of aid to Third World countries.

The issue then was support for the International Monetary Fund. A Republican congressional campaign committee asserted in letters mailed out to the districts that Democrats were voting "to give loans to Communist dictatorships."

The 21 Democrats who had been specially targeted by the Republicans were subsequently tried at being forced to explain to constituents back home that they were merely backing a bill that President Ronald Reagan himself had requested.

The bill was eventually adopted, but only after Mr. Reagan had thanked each of the targeted Democrats for their support.

To this day, though, some of the bitterness lingers.

Mr. Obey's exchange the other day with Mr. Baker signaled that the Democrats, again to quote one of Mr. Obey's metaphors, "will not again carry the water" for the president in supporting foreign assistance.

At issue this time are funding commitments that the United States has already made under international agreements to a cluster of agencies that help the Third World. Should Washington renege, it would be a major reversal not only for the agencies themselves but also for their constituents in Latin America, Asia and Africa.

The agencies that could be hurt include the International Bank for Reconstruction and Development, more familiarly known as the World Bank, in addition to the Inter-American Development Bank and the Asian Development Bank.

One of the Republicans on the foreign operations subcommittee, Representative Jack Kemp of New York, sought in early May to knock \$237 million from the Reagan administration's money bill.

He criticized the international lending agencies for not having brought about more tax cuts and other "supply-side" economic policies in the borrowing countries and for having made loans that often compete with private business.

His measure was adopted, 8-3, when most Democrats on the panel, Mr. Obey included, joined maverick Republicans in supporting it.

Secretary Baker managed to get the money restored in a supplemental appropriations bill when the full Appropriations Committee voted last week. He had promised Republicans that the United States would work toward some of the changes they want in the institutions. But the measure still faces a test on the floor.

By Jackson Diehl

SANTIAGO — Each week, the editors of Hoy, a new magazine sympathetic to Chile's democratic opposition, gather to read a letter from the military government's director of communications, José Miguel Amendariz.

The curt-missive from Mr. Amendariz, accompanied by marked-up copies of the magazine's page proofs, spells out which of Hoy's articles, headlines and pictures have been summarily censored under the state of siege.

The resulting list of correspondence is a remarkable record of how the military authorities have used their six-month crackdown, nominally imposed to combat terrorism, to shut Chile's once-thriving independent press.

While banning six other opposition magazines from appearing, the authorities have prohibited Hoy from publishing more than 50 articles and have scratched quotations from public figures including the U.S. secretary of state, George P. Shultz, members of the military's own junta and Chile's 19th century independence hero, Bernardo O'Higgins.

Mr. Amendariz, who did not respond to several interview requests, recently told the Chilean magazine Cosas that the censorship was necessary "to put an end to what would be called 'verbal terrorism.'"

"Liberty of expression," he added, "is a superior value that the government is the first to respect."

Increasingly, however, Chilean journalists and politicians argue that the curtailment of free speech has emerged as the most important aspect of President Augusto Pinochet's hard-line campaign, as well as the primary motive for the government's move this month to extend the state of siege for three months.

"Censorship is practically the only motive for the state of siege," said Emilio Filippi, Hoy's managing director. "As it turned out, that has been the most effective measure for demobilizing the democratic opposition."

While government repression against political opponents has appeared to be carefully limited in recent months, the crackdown on the press has been the most extensive since the months after the 1973 military coup.

In addition to closing the six opposition magazines and censoring Hoy, the authorities warned all other media not to report any news on politics and other subjects that might cause "public alarm."

To enforce the guidelines, ranking government officials have telephoned Chilean newspapers and radio and television stations, often on a daily basis, to dictate how news should be covered. News organizations that dispute the orders have been threatened with shutdowns, according to several local editors.

The result has been a nearly complete blackout of all information about the opposition, human rights, some social initiatives by the Roman Catholic Church and critical analysis of the deteriorating economy. Newspapers and magazines still publishing have suffered a precipitous drop in readership, and rumor-passing has become a major activity in the capital.

Hoy's editors say there is one particular word that has almost invariably drawn a stroke from their censor's yellow felt-tipped pen: *transición*. In Chile's political context, the term "transition" usually refers to the gradual move promised by the government of General Pinochet toward a limited democracy.

Now, however, the word appears to be no longer tolerated in any context. Thus, a headline in Hoy referring to the Soviet Union's "transition" during the illness of Konstantin U. Chernenko was clipped. So was a report on a kindergarten program to help young children judge television advertising. In the latter case, it turned out, the writer unwittingly had referred to kindergarten students as "children in a stage of transition."

"The idea of the authorities seems to be to show that they have absolute control over the media and that we have no chance to work independently," said Mr. Filippi. "So they not only censor us, but they do it in an entirely arbitrary way."

Journalists of the banned magazines defiantly have started four clandestine news bulletins, including two mimeographed dailies. Their combined circulation, however, is believed to be no more than 2,000 copies, in contrast to the



A group of South Korean students shouted anti-government slogans Sunday as they abandoned their four-day protest at the U.S. Information Service Center in Seoul.

## Students End Sit-In at U.S. Center in Seoul

SEOUL — Students staging a sit-in at the U.S. Information Service Center in Seoul ended a four-day protest Sunday, leaving the facility voluntarily.

About 70 students, who were protesting American support for the South Korean government, left the building yelling "Down with Chun Doo Hwan" and "Stop supporting the military regime!" Mr. Chun is South Korea's president.

Minutes before the end of the sit-in, two students came out of the four-story building and read a statement saying, "We sincerely apologize for having resorted to group action to express our position."

But they added, "We will carry on our fight together with one million fellow students and 40 million Korean people unless the United States stops its support of the present regime."

The students said they were ending the protest because dialogue was not yielding any progress and because North Korea could exploit the demonstration for propaganda purposes.

By Alan Cowell

JOHANNESBURG — The South African government has announced its intention to abolish a 1968 law prohibiting multiracial political parties.

The announcement Saturday followed a decision last month to repeal laws forbidding marriage and sexual relations between whites and nonwhites.

The repeal of the Prohibition of Political Interference Act means that political groups whose membership was hitherto restricted to one race may now recruit supporters from other races.

The repeal will not alter the segregated nature of South Africa's three-chamber Parliament, which offers representation, but not power, to people of mixed and Indian racial descent and ignores the black majority of 22 million people, who make up 70 percent of the country's population.

In a statement, the government said that changing circumstances had made the 1968 legislation unnecessary. The law was initially designed to prevent white liberal parties from recruiting nonwhites into their ranks.

At the present time, political parties may be drawn only from the ethnic groups they are deemed to represent. Thus, the Afrikaners' dominant National Party and other

smaller groups represent the 4.5 million whites, the Labor Party is the main group for the 2.8 million people of mixed racial descent and two parties vie for the votes of the 800,000 Indians.

With the repeal, all those parties technically will be able to recruit people from other racial groups. Other legislation, however, such as the Population Registration Act, prevents a nonwhite party from putting up candidates for the dominant white chamber in Parliament.

The announcement Saturday is likely to affect only minority parties outside the spectrum of Afrikaner politics, since the dominant National Party would betray its own traditions and ideology by recruiting nonwhites.

Neither would it serve black purposes for blacks to join any of the parties now seated in Parliament, since there is no chamber for blacks and the government has ruled out the creation of such a chamber.

Critics are likely to assail the repeal as cosmetic action intended to reinforce the government's protestations that it has embarked on a process of liberalization.

The statement Saturday said that the political system would continue to be based on the notion that "all groups must take part in the decision-making process as groups," reinforcing notions of continued racial separation.

By Alan Cowell

WASHINGTON — The Reagan administration has demanded that South Africa explain a military foray into northern Angola last week.

Two South African commandos were killed and another captured Tuesday close to a Gulf Oil Co. facility operated by Americans.

The Angolan Defense Ministry later announced that provisions for nine troops had been recovered at the scene, leading them to believe six commandos had escaped.

The Angolan press agency, ANGOP, said the commandos had planned to sabotage the oil complex.

A U.S. State Department spokesman, Edward P. Djerejian, said Friday that the U.S. reaction to the South African military venture was "deep displeasure," and that it has been made known to the Pretoria government.

Other U.S. officials expressed consternation about what appeared to be "an unfriendly act by a supposedly friendly government," especially since it could have sabotaged not only a U.S.-operated oil installation but also the peace initiative in southern Africa sponsored by the United States.

South African military spokesmen at first denied knowledge of the group, then acknowledged that a small intelligence unit was near

Luanda, the Angolan capital, to "gather information" on guerrilla groups operating against South Africa.

In a message Friday to the Angolan government, Foreign Minister R.F. Botha of South Africa asked for the return of the bodies and the captured commando.

He justified the incursion on the ground that "South African security forces have felt it necessary to gather intelligence on the activities" of members of the African National Congress and the South-West Africa People's Organization in Angola "and to take appropriate counteraction."

Angola's foreign minister, Altonso Van Dunem, has rejected the South African request. The Associated Press reported from Luanda.

Mr. Van Dunem, in a speech Saturday, demanded an explanation from South Africa. He said: "The Angolan government notes that it has not received any proposal from South Africa and has no intention of discussing this question within the next few days."

The U.S. ambassador, Herman Nickel, was instructed to lodge a strong protest in Pretoria, State Department sources said.

In Washington, the South African ambassador, Bernardus G. Fourie, was summoned to the State Department to hear a similar protest from senior officials, the sources said.

By Don Oberdorfer

WASHINGTON — The Reagan administration has demanded that South Africa explain a military foray into northern Angola last week.

Two South African commandos were killed and another captured Tuesday close to a Gulf Oil Co. facility operated by Americans.

The Angolan Defense Ministry later announced that provisions for nine troops had been recovered at the scene, leading them to believe six commandos had escaped.

The Angolan press agency, ANGOP, said the commandos had planned to sabotage the oil complex.

A U.S. State Department spokesman, Edward P. Djerejian, said Friday that the U.S. reaction to the South African military venture was "deep displeasure," and that it has been made known to the Pretoria government.

Other U.S. officials expressed consternation about what appeared to be "an unfriendly act by a supposedly friendly government," especially since it could have sabotaged not only a U.S.-operated oil installation but also the peace initiative in southern Africa sponsored by the United States.

South African military spokesmen at first denied knowledge of the group, then acknowledged that a small intelligence unit was near

Luanda, the Angolan capital, to "gather information" on guerrilla groups operating against South Africa.

In a message Friday to the Angolan government, Foreign Minister R.F. Botha of South Africa asked for the return of the bodies and the captured commando.

He justified the incursion on the ground that "South African security forces have felt it necessary to gather intelligence on the activities" of members of the African National Congress and the South-West Africa People's Organization in Angola "and to take appropriate counteraction."

Angola's foreign minister, Altonso Van Dunem, has rejected the South African request. The Associated Press reported from Luanda.

Mr. Van Dunem, in a speech Saturday, demanded an explanation from South Africa. He said: "The Angolan government notes that it has not received any proposal from South Africa and has no intention of discussing this question within the next few days."

The U.S. ambassador, Herman Nickel, was instructed to lodge a strong protest in Pretoria, State Department sources said.

In Washington, the South African ambassador, Bernardus G. Fourie, was summoned to the State Department to hear a similar protest from senior officials, the sources said.

By Don Oberdorfer

WASHINGTON — The Reagan administration has demanded that South Africa explain a military foray into northern Angola last week.

Two South African commandos were killed and another captured Tuesday close to a Gulf Oil Co. facility operated by Americans.

The Angolan Defense Ministry later announced that provisions for nine troops had been recovered at the scene, leading them to believe six commandos had escaped.

The Angolan press agency, ANGOP, said the commandos had planned to sabotage the oil complex.

A U.S. State Department spokesman, Edward P. Djerejian, said Friday that the U.S. reaction to the South African military venture was "deep displeasure," and that it has been made known to the Pretoria government.

Other U.S. officials expressed consternation about what appeared to be "an unfriendly act by a supposedly friendly government," especially since it could have sabotaged not only a U.S.-operated oil installation but also the peace initiative in southern Africa sponsored by the United States.

South African military spokesmen at first denied knowledge of the group, then acknowledged that a small intelligence unit was near

Luanda, the Angolan capital, to "gather information" on guerrilla groups operating against South Africa.

In a message Friday to the Angolan government, Foreign Minister R.F. Botha of South Africa asked for the return of the bodies and the captured commando.

## South Africa Will Allow Mixed Political Parties

By Alan Cowell

JOHANNESBURG — The South African government has announced its intention to abolish a 1968 law prohibiting multiracial political parties.

The announcement Saturday followed a decision last month to repeal laws forbidding marriage and sexual relations between whites and nonwhites.

The repeal of the Prohibition of Political Interference Act means that political groups whose membership was hitherto restricted to one race may now recruit supporters from other races.

The repeal will not alter the segregated nature of South Africa's three-chamber Parliament, which offers representation, but not power, to people of mixed and Indian racial descent and ignores the black majority of 22 million people, who make up 70 percent of the country's population.

In a statement, the government said that changing circumstances had made the 1968 legislation unnecessary. The law was initially designed to prevent white liberal parties from recruiting nonwhites into their ranks.

At the present time, political parties may be drawn only from the ethnic groups they are deemed to represent. Thus, the Afrikaners' dominant National Party and other

smaller groups represent the 4.5 million whites, the Labor Party is the main group for the 2.8 million people of mixed racial descent and two parties vie for the votes of the 800,000 Indians.

With the repeal, all those parties technically will be able to recruit people from other racial groups. Other legislation, however, such as the Population Registration Act, prevents a nonwhite party from putting up candidates for the dominant white chamber in Parliament.



Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277  
Prices may vary according to market conditions and other factors.

Prices may vary according to market conditions and other factors.

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

(Continued on Page 8)

**WestLB**  
Eurobonds • DM Bonds • Schuldscheine  
for dealing prices call

**DÜSSELDORF**  
Westdeutsche Landesbank, Head Office, P.O. Box 1128, 4000 Düsseldorf 1  
International Bond Trading and Sales: Telephone 826 3122/8 26 3741  
Telex 8581 R81/R581 R82

**London**  
Westdeutsche Landesbank, 41, Moorgate, London EC2R 8AE/UK  
Telephone 638 6141 • Telex 687 984

**Luxembourg**  
WestLB International S.A., 32-34, boulevard Grande-Duchesse Charlotte  
Luxembourg, Telephone 4 4741-43 - Telex 1678

**Hong Kong**  
Westdeutsche Landesbank, BA Tower, 36th Floor, 12 Harcourt Road,  
Hong Kong, Telephone 5-8420 288 · Telex 75142 HX

Marketmakers in Deutschmark Bonds **WestLB**  
Westdeutsche Landesbank

۵۴



MONDAY, MAY 27, 1985

Page 7

EUROBONDS

Dealers Move to Improve  
Self-Regulation Methods

By CARL GEWIRTZ

HELSINKI — The members of the Association of International Bond Dealers, at their annual meeting here last week, overwhelmingly approved a proposal by the board to restructure the organization into a more effective self-regulatory body. Founded in 1969 to bring order to the chaos then prevailing in the trading of Eurobonds, the organization has since become largely a social body aimed at promoting friendly relations between members.

The social function, which will continue, is not unimportant. The market spans the globe and intermediaries who normally transact business on the telephone do need an opportunity to put a face on the voice they deal with.

But the rule-making authority of the AIBD will in the future be greatly enhanced by the proposed changes. Specific proposals to this effect will be put to the membership at an extraordinary meeting to be held in London on Dec. 13.

The general outline, as spelled out at the annual meeting in Helsinki, is to transfer authority from the annual general meeting to the board. In the future, after consultation with regional committees established in the major market centers, the board will promulgate rules governing the functioning of the market and the annual assembly will function as an opportunity for the membership to veto the actions of the board.

The aim is to speed up the response time to market practices that need to be policed. Under the present arrangement, rule changes can be adopted only once a year at the annual meeting. At the same time, the character of the governing board will also change. Currently, board members are elected by region in what are largely popularity contests. In the future, a nominating committee will be responsible for proposing candidates although other proposals will also be acceptable.

THE aim is to construct a board that represents not only the geographic span of the market but also the varying functions of participants. These tasks may be complementary, as with primary-market originators of new issues and secondary-market traders, or competitive, as between market makers who commit their capital to warehousing paper and brokers who match buyer and seller without necessarily taking a position themselves.

The AIBD board expects that the nominating procedure will ensure a high professional quality of its membership. Under present procedures, the most competent are not always willing to put themselves forward for election out of fear of being rejected and incurring a humiliation for themselves or their firms.

The final leg of the proposed reform is to turn the regional groupings away from their role as almost exclusively social gatherings into consultative bodies against which the board can bounce its proposed policy rulings.

The Eurobond market, where an estimated \$300 billion of securities are outstanding, has had a good record in not abusing investors. Nevertheless, scandal has touched the market with a band of dealers accused of trading bonds at fictitious prices and pocketing the difference among themselves. As the board noted, however, no rules can prevent corrupt individuals from trying to cheat.

Nevertheless, the meeting in Helsinki adopted a rule change obliging dealers to signal trades that are executed at prices that are "outside the market."

Abuses that are less clear-cut — such as failure to inform that interest payments may be subject to withholding tax or may be suspended under special circumstances — are yet to be addressed.

Overall, the commitment to upgrade the muscle of the AIBD was made manifest not only by the approval of the structural change but also by the level of the bankers attending this meeting. The annual meeting usually is considered a boondoggle for wealthy traders deserving of a two-day, company-paid drinking spree, but this year's meeting was notable for the number of senior investors.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev. Wk.	Chg.
DJ Ind.	1,287.77	1,285.54	+2.23
DJ Ind.	161.98	161.75	+0.23
DJ Trans.	627.55	624.24	+3.31
S & P 500	182.49	181.57	+0.92
S & P 500	182.49	181.57	+0.92
NYSE Comp.	108.87	108.48	+0.39

Britain	Last Wk.	Prev. Wk.	Chg.
FTSE 100	1,322.70	1,322.40	+0.30
FTSE 100	977.70	976.30	+1.40

Hong Kong	Last Wk.	Prev. Wk.	Chg.
Hong Kong	1,396.04	1,407.38	-11.34

Japan	Last Wk.	Prev. Wk.	Chg.
Nikkei DJ	12,993.80	12,919.90	+73.90

West Germany	Last Wk.	Prev. Wk.	Chg.
DAX	1,303.80	1,264.70	+39.10

France	Last Wk.	Prev. Wk.	Chg.
CAC 40	1,303.80	1,264.70	+39.10

Italy	Last Wk.	Prev. Wk.	Chg.
FTSE 100	1,322.70	1,322.40	+0.30

Spain	Last Wk.	Prev. Wk.	Chg.
IBEX 35	1,322.70	1,322.40	+0.30

Sweden	Last Wk.	Prev. Wk.	Chg.
OMX	1,322.70	1,322.40	+0.30

Norway	Last Wk.	Prev. Wk.	Chg.
BSE	1,322.70	1,322.40	+0.30

Denmark	Last Wk.	Prev. Wk.	Chg.
OMX	1,322.70	1,322.40	+0.30

Netherlands	Last Wk.	Prev. Wk.	Chg.
AEX	1,322.70	1,322.40	+0.30

Belgium	Last Wk.	Prev. Wk.	Chg.
CEX	1,322.70	1,322.40	+0.30

Switzerland	Last Wk.	Prev. Wk.	Chg.
SIX	1,322.70	1,322.40	+0.30

Austria	Last Wk.	Prev. Wk.	Chg.
ATX	1,322.70	1,322.40	+0.30

Greece	Last Wk.	Prev. Wk.	Chg.
ATX	1,322.70	1,322.40	+0.30

Portugal	Last Wk.	Prev. Wk.	Chg.
BVL	1,322.70	1,322.40	+0.30

Money Rates

United States	Last Wk.	Prev. Wk.	Chg.
Discount rate	7 1/2%	7 1/2%	0
Federal funds rate	7 1/2%	7 1/2%	0
Prime rate	10 1/2%	10 1/2%	0

Japan	Last Wk.	Prev. Wk.	Chg.
Discount	5 1/2%	5 1/2%	0
Call money	6 1/4%	6 1/4%	0
90-day interbank	6 1/4%	6 1/4%	0

West Germany	Last Wk.	Prev. Wk.	Chg.
Lombard	6 1/2%	6 1/2%	0
Overnight	5 1/2%	5 1/2%	0
1-month interbank	5 1/2%	5 1/2%	0

France	Last Wk.	Prev. Wk.	Chg.
Bank base rate	12 1/2%	12 1/2%	0
Call money	12 1/2%	12 1/2%	0
3-month interbank	12 1/2%	12 1/2%	0

Italy	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Spain	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Sweden	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Norway	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Denmark	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Netherlands	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Belgium	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Switzerland	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Austria	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Greece	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Portugal	Last Wk.	Prev. Wk.	Chg.
Discount	14 1/2%	14 1/2%	0
Call money	14 1/2%	14 1/2%	0
90-day interbank	14 1/2%	14 1/2%	0

Other Dollar Values	Last Wk.	Prev. Wk.	Chg.
Argentine peso	\$2.80	\$2.80	0
Australian dollar	\$1.40	\$1.40	0
Canadian dollar	\$0.70	\$0.70	0
French franc	6.50	6.50	0
German mark	2.40	2.40	0
Italian lira	2,000	2,000	0
Japanese yen	160	160	0
Norwegian krone	4.80	4.80	0
Spanish peseta	166.7	166.7	0
Swedish krona	4.60	4.60	0
Swiss franc	2.00	2.00	0
U.S. dollar	1.00	1.00	0

Lear Fails  
In Project  
In Ulster

Fan-Jet Plants  
To Shut Down

Compiled by Our Staff From Dispatches

BELFAST — Lear Fan Aircraft Co.'s project to build a revolutionary jet plane in Northern Ireland has collapsed at a cost to the British government of some \$71.8 million, officials said Saturday.

Britain's Northern Ireland Office said that work on the executive eight-place jet had ended at Lear Fan's two plants in Northern Ireland, and that the remaining 20 workers would be laid off and the plants closed. Lear Fan was also laying off the 200 workers at its plant in Reno, Nevada, the office said.

Britain invested money in the project starting in 1979 in the hope of creating jobs in Northern Ireland, where sectarian strife has boiled for 16 years and one-fifth of the work force is unemployed.

In a similar failure, John Z. De Lorean's sports car plant in Belfast closed in 1982 after swallowing up the equivalent of \$140 million in British government investment.

Rhodes Boyson, Northern Ireland's industry minister, said he had been informed by Lear Fan's parent company that the board had decided at a meeting on Friday in Los Angeles to halt operations.

This followed repeated failures to get airworthiness certificates from the U.S. Federal Aviation Administration for prototypes of the turbo-prop craft. The plane, made of lightweight carbon fiber, was designed to consume less than half the fuel needed by conventional executive jets while flying almost as fast.

The British government had hoped that production of the Lear Fan jet, powered by two turbines driving a single rear-mounted propeller, would eventually create 2,800 jobs in Northern Ireland.

But the work force never exceeded 350. Most of the employees at the plants at Newtownabbey on the outskirts of Belfast and in nearby County Antrim were laid off last year.

In 1982, the project was rescued by an injection of more than \$35 million by a Saudi Arabian consortium. Last year, the British government said it would put no more money into Lear Fan.

Lear Fan had said it had more than 100 orders for the jet, which was to have sold for about \$1.8 million.

The company had picked Northern Ireland for the plants after failing to find funds in the United States.

Lear Fan was the final inspiration of William Lear, the U.S. inventor who pioneered the car radio, the eight-track tape cartridge and the executive jet. He died in 1978.

(AP, Reuters)



An idle steel plant in Youngstown, Ohio, a casualty of the industry's changes.

Failed U.S. Steelmakers Fight Back

By Daniel F. Cuff

New York Times Service

NEW YORK — When Wheeling-Pittsburgh Steel Corp. entered bankruptcy proceedings last month, it may have appeared that the rest of the industry would benefit by getting rid of some big competition.

But Wheeling-Pitt is far from dead. In fact, if it can escape liquidation and reorganize successfully under Chapter 11 of federal bankruptcy laws, it may be reborn, with much lower costs, as a formidable competitor.

With its stock holding up at \$8.25 as of Friday, company shareholders seem to be betting that a comeback is in the cards.

It is not a wild gamble, given today's steel industry. The Pittsburgh-based steel company, so far the largest steelmaker to file for protection from creditors under Chapter 11, is just one of a number of seriously ailing steel companies that have refused to give up the ghost.

Since 1981, McLouth Steel Corp., Phoenix Steel Corp., Weirton Steel Co., California Steel, some units of Bethlehem Steel Corp. and Seattle Steel

have managed to hang on against heavy odds. Most were reformed or reinvented by bankruptcy-inspired cost-cutting, spin-offs, employee buyouts and renegotiated labor contracts.

The reborn companies only dot the vast landscape of steel, representing perhaps less than 10 percent of the industry's sales. But, with their production costs slashed out of necessity, they have begun to intimidate and influence their healthier and bigger brethren.

Now, along with imports and domestic steel mills that often use nonunion labor, the major companies have to worry about competition from enterprises that have failed and are the better for it — particularly in the area of labor costs.

"As long as steel prices stay as competitive as they are," said Frederick W. Gander, steel consultant for Arthur D. Little Inc., "the existence of these companies constitutes a significant threat" to the major U.S. steelmakers.

They could, however, be a significant help to the industry, too, according to some analysts. The

falling companies are managing to wring wage and work-rule concessions from the once-mighty United Steelworkers, thereby weakening labor's grip on an industry where that was just a management dream a few years ago.

As a result, steel is starting to look to some like the U.S. auto industry just before its turnaround four years ago. Like many steel companies today, auto companies then were in dire financial straits and had to cut costs drastically, including labor costs.

"The auto companies had done a great deal of cost-cutting," said Charles A. Bradford, steel analyst at Merrill Lynch. And both industries, he said, benefit from labor concessions on the cost side.

Mr. Bradford expects the unions to play a key role in determining who will survive in steel. "They are giving wage concessions to inefficient companies, which makes them the low-cost producers," he said.

"In recent years and recent months, we have been through

Clive Sinclair: Inventor Now Seeks Cure for Financial Woes

By Bob Hagerty

International Herald Tribune

LONDON — Sir Clive Sinclair, recently described by a British newspaper as "one of the most prodigious inventors since Leonardo," likes to talk about fifth-generation computers and miracle microchips.

At the moment, however, the 44-year-old British entrepreneur is being forced to discuss such mundane matters as strained finances.

Home computer sales by his Sinclair Research Ltd. have been so weak lately that the company has had to ask two of its main suppliers, Thom EMI PLC and Timex Corp., to allow an extension on payments due, the company ac-

knowledgeable during the weekend.

A spokesman said that the two suppliers had agreed, and that Sinclair, which has about \$5 million (\$6.29 million) in debt, was confident that the extension would resolve its "rather tight" cash situation.

At the same time, a separate Sinclair company, Sinclair Vehicles Ltd., has generated more snickers than sales with its new battery-powered three-wheeler, ridiculed by some as an "electric clog."

Considering the circumstances, Sir Clive does not relish press attention. During an interview last week, he sat slumped on the edge of a beige sofa in his beige office in London's Belgrave district. He

stared at the carpet, leaving a reporter to study the tanned and freckled expanse surrounded by his fringe of reddish hair. In mid-sentence, Sir Clive interrupted himself to order a "cheese and salad" for lunch.

Since founding his home computer business in 1979, Sir Clive noted impatiently, he had built up a business with annual sales of around £100 million. The company boasts that it has sold more than five million home computers. Last winter, however, sales of such machines plunged, and Sinclair Research is burdened with huge inventories.

Sinclair's QL computer — introduced last year as a "quantum

AMC Will Close  
U.S. Plant, Shift  
Output to France

By Warren Brown

Washington Post Service

SOUTHFIELD, Michigan — American Motors Corp. has announced that it will close its last remaining car assembly plant in the United States, a turn-of-the-century facility in Kenosha, Wisconsin, and shift at least some of the lost output to plants of its controlling shareholder, the French automaker Renault.

AMC, the fourth-largest U.S. automaker, attributed the decision to a refusal by its unionized workers in Kenosha to grant contract concessions.

The company said on Friday that it would close the plant by July 1, 1986, and a related parts plant in Milwaukee by Sept. 16 of this year. Between 6,000 and 7,000 jobs would be eliminated as part of an AMC program to cut costs by 25 percent that will also do away with 800 white-collar jobs.

AMC is 46.4-percent owned by Renault, and small-car imports from the French state-owned auto manufacturer could be used to make up lost U.S. car production, AMC officials said. AMC has also raised the possibility of adding production in Canada, where it has a plant in Brampton, Ontario.

Renault has pumped \$545 million into AMC since buying a controlling interest in the U.S. company in 1979.

"They're not about to let that investment go down the drain," said Arvid Jouppe of Arvid Jouppe and Associates, Detroit-based market analysts.

"They're sacrificing blue-collar and white-collar jobs. They're making all of the hard choices. They're determined to make American Motors profitable," he said.

Jose J. Dedeurwaerd, the 23-year Renault veteran who is president and chief executive officer of AMC, explained: "If Renault wants to be a worldwide manufacturer, they have to be in the U.S."

The United States, with 10.4 million car sales in 1984, is the world's largest automotive market.

AMC lost \$29 million in the first three months of 1985. That loss ended five quarters of modest profitability, capped by net earnings of \$15.5 million in 1984. AMC dropped a total of \$622.5 million from 1980 through 1984.

Renault lost \$172 million in 1982, \$189 million in 1983, and \$1.3 billion in 1984. The losses have renewed French unions' demands that Renault abandon AMC and jettison its global ambitions, demands that Renault is resisting.

AMC long has been plagued with the misfortune of having one basic car line: the Rambler in the 1950s and 1960s, then in the 1970s the Hornet, Javelin, Gremlin and the ill-fated bubble-shaped Pacer.

AMC spent just 1.8 percent of its revenues on product development between 1960 and 1980.

The company sought to expand its line in 1970 by buying Kaiser-Jeep Corp., maker of Jeeps and their derivatives.

Today, Jeeps are selling well, while AMC's lone conventional car line — the Renault-designed Alliance-Encore models — suffered a fall in sales of 31.5 percent in the first four months of this year.

AMC must now sell 450,000 cars and Jeeps a year to recover expenses, according to Renault and AMC officials. The company wants to lower that break-even point to 350,000 cars and Jeeps by October 1987.

AMC's worldwide sales last year were 442,000 units.

Quebec's Bid

The government of Quebec province has proposed becoming a partner in American Motors to attract an assembly plant or assembly subcontracting to Quebec, the provincial finance minister, Yves Duhaime, said in Paris on Sunday, according to Agence France-Presse.

Markets Closed

Financial markets are closed in the United States and most of Western Europe today for holidays.



Paris, 1 Jan

Over-the

**IN**

Take advantage of our special rates for new subscribers and we'll give you an extra month of *Tribes* **free** with a one-year subscription. Total savings: nearly 50% off the newsstand price in most European countries!

**Special introductory rates.**  
 Please circle the reduced subscription price indicated. For new subscribers only.  
 (Rates valid through March 31, 1984)

Country	Currency	1 year	6 mos.	3 mos.
Austria	A Sch.	4,020	2,170	1,196
Belgium	B.Fr.	9,020	4,874	2,668
Denmark	D.Kr.	1,930	1,043	570
Finland	F.M.	1,410	763	414
France	F.F.	1,200	644	359
Germany	D.M.	482	261	144
Great Britain	£	101	55	30
Greece	Dr.	15,600	8,464	4,692
Netherlands	Fl.	550	298	166
Ireland	I.M.	115	65	34
Italy	Lire	276,000	149,940	82,800
Luxembourg	L.Fr.	9,020	4,874	2,668
Norway	N.Kr.	1,620	765	423
Portugal	Esc.	13,800	7,430	4,090
Spain	Pes.	21,200	11,500	6,300
Sweden	S.Kr.	1,470	775	434
Switzerland	S.Fr.	630	338	179

Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East

	\$	322	174	95
--	----	-----	-----	----

Rest of Africa, Canada, Latin America, Gulf States

	\$	442	238	130
--	----	-----	-----	-----

Asia

To: Subscription Manager, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 747 07 29. Telex: 612832.

Please enter my subscription for:

☐ 12 months ☐ 6 months ☐ 3 months  
 (+1 month free) (+2 weeks free) (+1 week free)

☐ My check is enclosed

Please charge my: ☐ Access ☐ American Express ☐ Divers Club  
☐ Eurocard ☐ Mastercard ☐ Visa

Card expiry date \_\_\_\_\_ Signature \_\_\_\_\_  
 Card account number \_\_\_\_\_

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Country \_\_\_\_\_  
 Tel \_\_\_\_\_ Telex \_\_\_\_\_

**VACATION INSTRUCTIONS**

I will be traveling from \_\_\_\_\_ to \_\_\_\_\_ (dates)  
☐ Please suspend my subscription during my absence and extend the date of expiration accordingly.  
☐ I would like to have the paper sent to my vacation address. (Please enclose instructions).

**27-3-85**







[illegible][illegible]

**For the Week Ending May 24, 1985**

[illegible]

100150















